



Department of Commerce
Innovation is in our nature.

DRAFT

2009 Performance Evaluation Report



Blessed Kateri Village, Yakima County (CDBG)

March 2010

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
PART 1: GENERAL NARRATIVE	1
PART 2: HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM.....	6
PART 3: HOUSING OPPORTUNITIES FOR PEOPLE WITH HIV/AIDS (HOPWA) PROGRAM.....	27
PART 4: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM.....	28
PART 5: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUPPORTED ECONOMIC DEVELOPMENT LOAN FUND PROGRAMS	48
PART 6: EMERGENCY SHELTER GRANTS (ESG) PROGRAM	52

EXECUTIVE SUMMARY

This Performance Evaluation Report (PER) describes how Washington State used its funds from the U.S. Department of Housing and Urban Development (HUD) in communities across the state in 2009. The Washington State Department of Commerce (Commerce) appreciates the opportunity to administer these funds on behalf of HUD, our partner local jurisdictions and organizations that implement the projects, and the citizens of Washington State.

HUD funds Commerce received in 2009

HUD Formula Funds Administered by Commerce	Amount
State Community Development Block Grant	\$15,479,447
Emergency Shelter Grants (ESG)	\$1,378,357
HOME Investment Partnerships (HOME)	\$11,401,291
Housing Opportunities for Persons With AIDS (HOPWA)	\$671,553

Part 1 of the 2009 Performance Evaluation Report (PER) provides general information on Commerce's investment of HUD funds in 2009, following HUD's new reporting requirements. Parts 2 through 6 of this document provide details about program investments, supplemented by data already reported in HUD's Integrated Disbursement Information System (IDIS).

2009 Highlights

CDBG

- The state received a slight increase from 2008 for the 2009 state CDBG formula grant. However, the annual award had decreased over 17% since 2004, resulting in difficulty maintaining staffing levels for required federal oversight and reporting.
- The American Recovery and Reinvestment Act of 2009 and HUD awarded \$4.1 to the state CDBG program to prioritize funding to rural, low income communities that would award bids within 120 days of the state's receipt of funds. We received letters of interest for over \$30 million in projects. A rating and selection process was conducted and six projects were awarded funding.
- The state received over \$28 million in formula funds for the Neighborhood Stabilization Program (NSP). A competitive application was submitted for NSP 2, but was not selected for funding.
- The five-year consolidated plan for Commerce's use of HUD funds for 2010 – 2014 was coordinated with the Housing Division and submitted November 15, 2009. Current fund structure and priorities were assessed, including continued funding of public services/community action agencies. A community needs survey and realignment of applications cycles and hearings were conducted.

Citizen Participation and Consultation

Commerce conducted the following outreach activities to provide internal and external stakeholders, and the public the opportunity to comment on the PER:

- Sent email notices to low-income housing advocates and organizations, CDBG-eligible cities and counties, HOME consortiums, and interested others.
- Posted the draft PER on Commerce's website and made it available upon request in alternative formats.
- Distributed the draft PER to internal stakeholders in Commerce's Trade and Economic Development, Housing, and Local Government Divisions for review.

The final PER is available on Commerce's website at www.Commerce.wa.gov/cdbg and in alternative formats, by request.

PART 1: GENERAL NARRATIVE

Overview

Part 1 reports on Commerce's targeting and geographic distribution of available HUD resources. This Part 1 also reviews Commerce's efforts and resources used in 2009 that address priority HUD issues, including affordable housing, homelessness, continuum of care, affirmatively furthering fair housing, and citizen participation.

A. HUD Resources Invested

Commerce receives HUD funding distributed by formula under the state Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) programs. Parts 2 through 6 of this document provide details about program investments, supplemented by details already reported in HUD's IDIS system.

Summary of HUD Resources Invested

Program	Source of Funds	State Agency	Grantees	2008 Funding	2009 Funding
HOME	HUD	Commerce	Units of local/tribal government, nonprofits, public housing authorities	\$10,248,322	\$11,401,291
CDBG	HUD	Commerce	Units of local government/non-entitlement	\$15,200,000	\$15,479,447
ESG	HUD	Commerce	Units of local government, PHAs, nonprofits	\$1,370,843	\$1,378,357
HOPWA	HUD	Commerce	Nonprofits	\$651,000	\$671,553
TOTAL				\$27,470,165	\$28,930,648

B. Geographic Distribution and Location of Investments

The major geographic distinction that affects the allocation of funds is between the state's major urban centers, most of which are also participating jurisdictions for HOME funding and formula jurisdictions for ESG funding, and the smaller cities and rural areas of Washington. The urban centers, especially the Seattle-Tacoma metropolitan area, have a number of strong, experienced,

non-profit housing developers and advocates. These cities have been able to raise local funding for housing and to develop innovative projects and programs.

Smaller cities and rural areas face the challenge of creating and sustaining housing development and management capacity. Commerce continues to award funds to smaller cities and rural area. Some limited amounts of funding have also been available for capacity building. Local coalitions and non-profits continue to need assistance in all stages of housing development and management.

Funding for housing development in small cities and rural areas was provided by:

- Prioritizing the allocation of HOME Tenant-Based Rental Assistance (TBRA) funds to those areas of the state that do not receive other allocations of HOME funds.
- Using state CDBG funds to support low-income housing feasibility studies, planning, development and rehabilitation. In addition, state CDBG funds are used in non-entitlement areas for off-site infrastructure in support of new low-income housing projects funded by the Commerce Housing Trust Fund program. Non-entitlement cities and towns are those with less than 50,000 populations or counties with less than 200,000 populations provided the cities, towns, and counties do not participate as members of HUD Urban County Consortiums. The entitlement jurisdictions receive CDBG funds directly from HUD.
- Continuing to distribute ESG in areas that are not directly allocated ESG funds by HUD.
- Using 100 percent (100%) of HOPWA formula allocation funds in jurisdictions that are not part of major metropolitan areas currently receiving HOPWA allocations directly from HUD.

Aside from these funding targets, Commerce does not set aside funds for particular regions at this time. Commerce has found that open funding programs or programs using competitive funding criteria serve the state best by allowing each area to organize and develop those projects that meet local needs.

C. Outcome Measure Summary

Commerce's programs support HUD's statutory program goals identified in Title 1 of the Housing and Community Development Act of 1974 (as amended):

1. Decent housing
2. A suitable living environment
3. Expanded economic opportunity

HUD revised its performance measurement requirements and established new outcome statements in 2006. While Commerce originally set performance measures in its 2005-2009

Consolidated Plan, the state's housing and community development needs have evolved and the Commerce Strategic Plan has been updated. Starting in the 2008 Action Plan, Commerce estimated outcomes that would be achieved in the program year in relationship to the new HUD performance measures, as shown in the table on the following pages.

The table reports outcome information on the projects funded by CDBG, HOME, HOPWA or ESG in 2009. Other Commerce activities that contribute toward these outcomes but were funded with other state resources, such as the Housing Trust Fund, are not listed for this HUD report. Further detailed information and data on the HUD-funded 2009 projects are reported on an ongoing basis to HUD electronically through its Integrated Disbursement Information System (IDIS) and is not duplicated in this table, such as:

- Number of persons served by activity
- Ethnicity/race of persons served
- Income level of persons/households served
- Number of housing units assisted

Outcomes Summary

HUD Performance Measure	Outcomes Proposed in 2009 Action Plan CDBG	Actual Outcomes 2009 CDBG	Outcomes Proposed in 2009 Action Plan ESG, HOME, HOPWA	Actual Outcomes 2009 ESG, HOME, HOPWA
Decent Housing <ul style="list-style-type: none"> • Availability • Sustainability • Affordability 	Households <ul style="list-style-type: none"> • 14 • 30 • 0 	Households <ul style="list-style-type: none"> • 156 • 70 • 43 	N/A	HOME: 175 TBRA: 972 HRRP: 180 HOPWA: 395
Suitable Living Environment <ul style="list-style-type: none"> • Availability/Accessibility • Sustainability 	Persons <ul style="list-style-type: none"> • 70,950 • 3,700 	Persons <ul style="list-style-type: none"> • 114,239 • 0 	N/A	ESG: 23,060 individuals assisted
Economic Opportunity (jobs) <ul style="list-style-type: none"> • Availability • Sustainability 	Persons <ul style="list-style-type: none"> • 80 • 0 	Persons <ul style="list-style-type: none"> • 290 • 0 	N/A	N/A
Other Performance Measures – 2009 CDBG				
Percentage of projects principally benefiting LMI persons.	Target 70%	Actual 89%		
Ratio of CDBG to other funds leveraged.	Target 1:2	Actual 1:2		
Obligate 95% of HUD award within 12 months	Target 100%	Actual 100%		
Number of grant management workshops.	Target 2	Actual 2		
Projects completed on time, within scope	Target 40%	Actual 49%		

In 2009, Commerce made progress toward meeting HUD and Commerce's goals and objectives. Accomplishments include:

- Awarding \$1,939,909 of 2009 CDBG HUD funds for housing rehabilitation and infrastructure in support of new low-income housing in rural communities.
- Awarding 70% of 2009 CDBG HUD funds to enhance suitable living environments and address public health and safety issues facing lower income rural communities.

- CDBG projects leveraged other federal, state and private funding at a 1:2 ratio.
- Building on its collaboration with other COMMERCE programs to provide technical assistance to small rural communities.

D. Actions Taken to Further Fair Housing

Accomplishments include:

- The state CDBG program requires all local government grant recipients to complete activities listed in the CDBG Grant Management Handbook that promote Fair Housing in the administration and implementation of their programs. In 2009, the CDBG Program staff included Fair Housing compliance reviews during their on-site monitoring of local projects.
- Commerce updated its Analysis of Impediments to Fair Housing in and placed a link to the document on its website.

E. Citizen Participation

The 2009-2014 Consolidated Plan and Action Plan amendment establishes the citizen participation plan for performance reports. Following this plan, the state sent email notices to interested parties on distribution lists maintained by the Housing, and Local Government, and Trade and Economic Development Divisions on March 9, 2010 announcing a 15 day public comment period and the availability of the Draft 2009 PER. The Draft 2009 PER was made available on Commerce's website and upon request during the entire public comment period. The final PER is now available on Commerce's website at www.Commerce.wa.gov/cdbg and upon request. The report is also available in alternative format upon request.

Comments Received Will go HERE

PART 2: HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

Introduction

This Annual Performance Report summarizes the progress made in Washington State's HOME Program during the performance period of January 1, 2009 to December 31, 2009.

Eligible activities included acquisition, moderate and substantial rehabilitation, new construction, minor home repair and tenant-based rental assistance. Many of the HOME Program projects reached well beyond our goal of serving families at or below 50 percent of the area median income and served those households at or below 30 percent.

Analysis of Fund Distribution

Over \$144 million has been awarded to projects for activities identified in the state's HOME program description since the HOME Program began in Washington State. Of that \$144 million, approximately \$18 million was awarded during this performance period. Eligible activities include home repair and rehabilitation, tenant-based rental assistance, moderate and substantial rehabilitation, and new construction. Many of these projects have made substantial progress toward completion. The following information summarizes the activities by the state's HOME Program during the performance period.

Tenant-Based Rental Assistance (TBRA)

Performance Period Awards: \$3,632,782

Projected Households Served: 982

Funds were awarded to nineteen agencies to provide tenant-based rental assistance during the reporting period. Eligible applicants include agencies that do not receive TBRA funding directly from HUD with few exceptions. The client-targeted groups may include foster children ages 18-20 who are transitioning to independence; chronically mentally ill, developmental disabled, or other special needs populations; farm workers who are seeking permanent year round rental housing; households transitioning to self sufficiency; homeless families with children; and pregnant or parenting youth. These activities are aligned with the state's Five Year Strategy by helping households retain existing housing or find housing that is safe, decent and affordable.

Fair housing is an eligible activity for funding under the TBRA rules adopted by Commerce. Compliance with fair housing requirements and definitions and use of the Fair Housing Logo are program requirements and are included in the monitoring instrument used by Commerce to monitor program activities.

Home Repair and Rehabilitation Program (HRRP)

Performance Period Awards: \$5,334,749
Projected Households Served: 180

The funds were allocated to 17 agencies that have existing weatherization programs. In awarding funds, preference was given to rural areas, which have the least access to alternative resources. The goal of the HRRP is to meet the needs of very low-income clients in the most cost-effective manner by performing repairs while doing residential retrofits. Complete weatherization must be done in addition to the repair and total repair cost per unit is capped at \$40,000, with an additional \$10,000 (or \$15,000 if abatement is needed) to remediate lead-based paint and an additional \$5,000 to remediate asbestos. The program also included, as a pilot, the Manufactured Home Replacement Program (MHRP), that replaced 27 substandard manufactured homes and completed an evaluation. The Home Repair and Rehabilitation Program continued to meet the needs identified in the state's Consolidated Plan by assisting very low-income homeowners retain their housing through home repair, rehabilitation and weatherization, and by preserving existing housing stock.

New Construction

Performance Period Awards:
Rental Housing: \$6,276,998
Projected Households Served: 124

The awards for new construction projects during this performance period include funding from multiple fiscal years. The construction of new affordable rental continues to be a significant aspect of the state's HOME Program. The creation of new affordable housing stock enables populations who are not well-served by the present housing stock, including large families, single non-elderly, frail elderly and others to access affordable housing. The majority of the units assisted, 87 percent, serve households at or below 50 percent of the area median income.

Substantial Rehabilitation

Performance Period Awards:
Substantial Rehabilitation: \$2,550,000
Projected Households Served: 51

The awards for substantial rehabilitation projects made during this performance period include funding from multiple fiscal years. The substantial rehabilitation of existing affordable housing stock and vacant buildings, where feasible, increases the local capacity to house its populations

in safe, decent and affordable housing. Washington State requires a long-term commitment to affordability in these housing units. These activities are consistent with the state's strategy to develop the availability and affordability of housing for renter households earning less than 50 percent of area median income.

Community Housing Development Organizations (CHDO)

Performance Period Awards: **\$1,996,433**
Projected Households Served: **30**

These funds were awarded to one organization for a new construction project during this performance period. Commerce will continue to ensure that the 15 percent CHDO set-aside requirement is met for the cumulative allocation of HOME Program funds. During this reporting period 23 percent of the total HOME awards were awards to CHDO's.

Rental Project Inspections

A total of 80 HOME-funded rental housing projects were inspected during 2009. The inspections included a determination of compliance with Housing Quality Standards and other applicable HOME requirements. General issues noted during the inspections included the establishment and maintenance of project operating and replacement reserves and the need to update property management plans.

Program Income

A total of \$557,596 of program income was received during 2009. The funds received were loan repayments from awards to prior year HOME rental housing projects. The program income was used to offset the cost of HOME-eligible rehabilitation and new construction projects and program administration expenses.

Part 2: Home Investment Partnership (HOME) Program

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 03/31/2005)

Part I Participant Identification			Match Contributions for Federal Fiscal Year (2009)
1. Participant No. (assigned by HUD) SG530100	2. Name of the Participating Jurisdiction State of Washington-CTED	3. Name of Contact (person completing this report) Doug Hunter	
5. Street Address of the Participating Jurisdiction P.O. Box 42424		4. Contact's Phone Number (include area code) 360-725-2924	
6. City Olympia	7. State WA	8. Zip Code 98504-2525	
Part II Fiscal Year Summary			
1. Excess match from prior Federal fiscal year		\$10,190,930	
2. Match contributed during current Federal fiscal year (see Part III.9.)		\$3,787,989	
3. Total match available for current Federal fiscal year (line 1 + line 2)			\$13,978,919
4. Match liability for current Federal fiscal year			\$2,831,021
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)			\$11,147,898

Part III Match Contribution for the Federal Fiscal Year

1. Project No. or Other ID	2. Date of Contribution	3. Cash (non-Federal sources)	4. Foregone Taxes, Fees, Charges	5. Appraised Land / Real Property	6. Required Infrastructure	Construction Materials, Donated labor	8. Bond Financing	9. Total Match
HTF-07-94100-030	11/13/08		\$82,422					\$82,422
HTF-07-94100-030	1/26/09		\$56,267					\$56,267
HTF-07-94100-030	2/25/09		\$73,378					\$73,378
HTF-07-94100-030	5/11/09		\$119,740					\$119,740
HTF-07-94100-030	9/10/09		\$1,788					\$1,788
HTF-07-94100-035	10/22/08		\$417,829					\$417,829
HTF-07-94100-035	11/10/08		\$253,823					\$253,823
HTF-07-94100-035	12/29/08		\$46,099					\$46,099

Part 2: Home Investment Partnership (HOME) Program

HTF-07-94100-037	10/23/08	\$358,644						\$358,644
HTF-07-94100-037	11/18/08	\$179,148						\$179,148
HTF-07-94100-037	5/6/09	\$32,157						\$32,157
HTF-07-94100-037	8/5/09	\$19,123						\$19,123
HTF-07-94100-028	11/26/08	\$217,387						\$217,387
HTF-07-94100-028	1/8/09	\$228,691						\$228,691
HTF-07-94100-028	2/2/09	\$109,059						\$109,059
HTF-07-94100-028	2/25/09	\$193,978						\$193,978
HTF-07-94100-028	3/16/09	\$363,028						\$363,028
HTF-07-94100-028	5/18/09	\$240,363						\$240,363
HTF-08-94100-043	11/25/08	\$795,065						\$795,065

HOME FFY 2009 Disbursement And Unit Completion Data From IDIS

FFY 2009 HOME DISBURSEMENTS AND UNIT COMPLETIONS							
ACTIVITY TYPE	DISBURSED AMOUNT	UNITS COMPLETED	UNITS OCCUPIED				
Rentals	\$0	36	36				
TBRA	\$2,003,473	1,572	1,572				
First-Time Homebuyers (ADDI)	\$60,000	9	9				
Existing Homeowners	\$3,049,709	210	210				
Total Rentals and TBRA	\$2,003,473	1,608	1,608				
Total, Homebuyers and Homeowners	\$3,109,709	219	219				
Total All Activities	\$5,113,182	1,827	1,827				
FFY 2009 HOME UNIT COMPLETIONS BY PERCENT OF AREA MEDIAN INCOME							
ACTIVITY TYPE	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	Reported as Vacant
Rentals	29	7	0	0	36	36	0
TBRA	1,474	116	1	0	1,591	1,591	0
First-Time Homebuyers (ADDI)	0	3	0	6	3	9	3
Existing Homeowners	122	92	1	1	215	216	0
Total Rentals and TBRA	1,503	123	1	0	1,627	1,627	0
Lower Income Benefit %	92%	8%	0%	0%	100%	100%	
Total, Homebuyers and Homeowners	122	95	1	7	218	225	0
Lower Income Benefit %	55%	42%	0%	3%	97%	100%	
Total Rental, Homebuyers and owners	1,625	218	2	7	1,845	1,852	3
Lower Income Benefit %	88%	12%	0%	0%	100%	100%	

Part 2: Home Investment Partnership (HOME) Program

HOME COMPLETED ACTIVITIES (All Program Years)							
	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	Reported as Vacant
<i>RENTAL ACTIVITIES</i>							
Units Completed	811	486	142	14	1,439	1,453	0
TBRA Families*	7,256	968	21	4	8,235	8,239	0
<i>Lower Income Benefit %</i>	83%	15%	2%	0%	100%	100%	
<i>HOMEBUYER ACTIVITIES</i>							
Units Completed	15	76	57	89	148	237	3
<i>Lower Income Benefit</i>	6%	32%	24%	38%	62%	100%	
<i>HOMEOWNER ACTIVITIES</i>							
Units Completed	1,403	787	33	13	2,223	2,236	0
<i>Lower Income Benefit %</i>	63%	35%	2%	0%	99%	100%	
<i>TOTALS BY MEDIAN INCOME</i>							
Units Completed	2,229	1,349	232	116	3,810	3,926	3
TBRA Families*	7,246	968	21	4	8,235	8,239	0
<i>Lower Income Benefit %</i>	78%	19%	2%	1%	99%	100%	
*TBRA Families are all families reported in TBRA activities which have had funds disbursed							

Table Notes

General Information

This is information gathered from a standard pre-programmed report (C04PR16/PR23) from HUD's Integrated Disbursement and Information System (IDIS) that summarizes accomplishments under HOME. As projects are completed, information on disbursements and services by percent of area median income (household income type) are entered into the IDIS system.

- Commerce uses HOME for developing and preserving multi-family rental units under the "Rentals" category.
- The first-time homebuyer units noted in the report are funded with American Dream Downpayment Initiative (ADDI) funds, a set-aside of HOME funds for first-time homebuyers.
- HOME funds for existing homeowners reflect the activities of the Home Repair and Rehabilitation Program (HRRP). This program provides repair and rehabilitation of low-income owner occupied single-family dwellings combined with federal, state and locally-funded weatherization services.

HOME Disbursement and Unit Completions

This is a report of disbursements of HOME funds by activity and by units completed and occupied. Commerce has not located a report that will provide disbursement activity by household income type, within each activity. For example, there is no IDIS report that will indicate the amount disbursed for Rental projects that benefited those households with incomes of 0 percent to 30 percent.

HOME Unit Completions by Percent of Area Median Income

This is a report of households served in each activity area, by the percent of area median income group. For example, of the units completed and occupied in a given year in the "Rentals" line item activity, the number of households with incomes between 0 – 30 percent, 31 – 50 percent, 51 – 60 percent or 61 – 80 percent are so noted in the report.

HOME Completed Activities

This is a report of households served in the rental including Tenant Based Rental Assistance (TBRA) and homebuyer and homeowner activities, by the percent of area median income group. However, unlike the reports for Rentals and Existing Homeowners, there is no separate report by

program year. This table represents information reported for all program years. There is no IDIS report that will show TBRA information by program year.

Historical Data

Information from 1999-2009 on the percentage of units completed for extremely-low income households (0% - 30%) is provided below.

Households at 0 – 30 percent of Area Median Income

Activity	Program Year										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rentals	54%	63%	57%	58%	59%	55%	83%	83%	73%	89%	81%
First-Time Homebuyers	0	0	0	0	0	0	15%	9%	0	0	0
Existing Homeowners	65%	55%	62%	60%	65%	73%	62%	63%	68%	70%	54%

Section 3 Summary Report

0043

(HUD 60002)
Economic Opportunities for
Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
and Equal Opportunity

OMB Approval No: 2529-
(exp. 8/31/2007)

See page 2 for Public Reporting Burden statement

Hud Field Office:
Seattle

1. Recipient Name & Address: (street, city, state, zip) State of Washington Department of Community, Trade and Economic Development P.O. Box 42525 Olympia, WA 98504-2525		2. Federal Identification: (contract/award no.) M08-SG-53-0100	3. Dollar Amount of Award: \$11,401,291
		4. Contact Person Doug Hunter	5. Phone: (Include area code) 360-725-2924
		6. Reporting Period: 1/1/08 – 12/31/08	7. Date Report Submitted: 3/31/10
8. Program Code *	6	(Use a separate sheet for each program code)	
		9. Program Name: HOME Investment Partnership Program	

Part I: Employment and Training (** Include New Hires in columns E & F.)

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E** % of Total Staff Hours for Section 3 Employees and Trainees	F** Number of Section 3 Employees and Trainees
Professionals	0	0	0	0	0
Technicians	0	0	0	0	0
Office/Clerical (ACE project mgmt)	0	0	0%	36%	0
Construction by Trade (List Trade	0	0	0	0	0
Trade – Electrician	0	0	0%	69%	0
Trade – Demolition	0	0	0%	0%	0
Trade – Operators	0	0	0%	0%	0
Trade – Laborers	0	0	0%	0%	0
Trade – Carpenters	0	0	0%	0%	0
Total					

* Program Codes
Administered
1 = Flexible Subsidy
Programs
2 = Section 202/811
Housing Programs

3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization

4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement

8 = CDBG State
9 = Other CD
10 = Other

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$ 4,204,458
B. Total dollar amount of contracts awarded to Section 3 businesses	\$ 122,053
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	3%
D. Total number of Section 3 businesses receiving contracts	2

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$ 2,373,719
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 1,996,577
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	84%
D. Total number of Section 3 businesses receiving non-construction contracts	1

PA Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

☒ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site,

contracts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

☐ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

☐ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

☐ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

☒ Other; describe below.

Team Construction sent bid invitations to all qualified bidders for the job. Information was available via plan room and site (ACE).

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs as directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

PART 3: HOUSING OPPORTUNITIES FOR PEOPLE WITH HIV/AIDS (HOPWA) PROGRAM

Accomplishments Data - PER Chart 1 (planned goal) and Chart 2 (actual)

	HOPWA Performance Planned Goal and Actual	Output Households				Funding	
		HOPWA Assistance		Non-HOPWA		e.	f.
		a.	b.	c.	d.		
		Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual
	Housing Subsidy Assistance	Output Households					
1.	Tenant-Based Rental Assistance	49	52		11	198267	193303
2a.	Households in permanent housing facilities that receive operating subsidies/leased units	8	8			26427	26427
2b.	Households in transitional/short-term housing facilities that receive operating subsidies/leased units						
3a.	Households in permanent housing facilities developed with capital funds and placed in service during the program year						
3b.	Households in transitional/short-term housing facilities developed with capital funds and placed in service during the program year						
4.	Short-Term Rent, Mortgage and Utility Assistance	301	266			208461	172211
5.	Adjustments for duplication (subtract)						
6.	Total Housing Subsidy Assistance	358	326		11	433155	391941
	Housing Development (Construction and Stewardship of facility based housing)	Output Units					
7.	Facility-based units being developed with capital funding but not opened (show units of housing planned)						
8.	Stewardship Units subject to 3 or 10 year use agreements						
9.	Total Housing Developed						
	Supportive Services	Output Households					
10a.	Supportive Services provided by project sponsors also delivering HOPWA housing assistance	8	43			139870	90316
10b.	Supportive Services provided by project sponsors serving households who have other housing arrangements		22				42902
11.	Adjustment for duplication (subtract)						
12.	Total Supportive Services	8	54			139870	42902
	Housing Placement Assistance Activities						
13.	Housing Information Services						
14.	Permanent Housing Placement Services	5	15			37503	37503
15.	Adjustment for duplication						
16.	Total Housing Placement Assistance	5	15			37503	37503
	Grant Administration and Other Activities						
17.	Resource Identification to establish, coordinate and develop housing assistance resources						
18.	Technical Assistance (if approved in grant agreement)						
19.	Grantee Administration (maximum 3% of total HOPWA grant)					19530	15682

Part 3: Housing Opportunities for People With HIV/AIDS (HOPWA) Program

20.	Project Sponsor Administration (maximum 7% of portion of HOPWA grant awarded)					42,477	38613
Total Expenditures for program year (Sum of rows 6, 9, 12, 16, and 20)		371	395			672535	616957

PART 4: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

This report describes the use of the state's CDBG funds during its January 1, 2009 through December 31, 2009 program year and assesses how that use accomplishes the priorities identified in the state's 2009 Action Plan. The state's CDBG resources are divided into specific funds to target investment towards local and state priorities in collaboration with funding partners. The state's annual Action Plan contains a complete description of each CDBG fund, including application requirements and award processes, and is available on Commerce's website at www.commerce.wa.gov/cdbg.

Use of CDBG Funds in 2009

The following table compares CDBG fund allocations and the number of projects funded between 2008 and 2009. In addition to the grant programs listed, there are three CDBG-supported economic development loan fund programs, described in Part 5.

Part 4: Community Development Block Grant (CDBG) Program

2008-2009 Summary of Funds Allocation

CDBG Program	2008 Funds Allocated in Action Plan	2008 Funds Awarded & # of Grants	2009 Funds Allocated in Action Plan	2009 Funds Awarded & # of Grants
General Purpose Grant	\$12,000,000	\$11,120,901 (19)	\$11,500,000 (16)	\$11,479,595 (14)
Housing Enhancement	\$1,000,000	\$1,300,000 (5)	\$1,000,000	\$939,909 (4)
Imminent Threat Grant	\$200,000	\$0	\$200,000	\$76,400 (2)
Planning-Only Grant	\$300,000	\$300,500 (10)	\$400,000	\$434,000 (15)
Public Services Grant	\$1,589,400	\$1,589,400 (12)	\$1,557,612	\$1,557,612 (12)
Sub-Total:	\$14,089,400	\$14,310,801 (45)	\$14,657,612	\$14,487,516 (47)
HUD Award	Estimated \$15,561,480	Actual \$15,200,000	Estimated \$15,200,000	Actual \$15,479,447
Less \$100,000 and 3% for administration and technical assistance	(\$566,844)	(\$556,000)	(\$566,000)	(\$564,384)
Left for Grants	\$14,994,636	\$14,644,000	\$14,644,000	\$14,915,064
Plus Contingency Balance	\$2,500,000	Begin 2008 \$3,624,228	Begin 2009 \$3,500,000	Begin 2009 \$4,109,152
Total Available For Grants	\$17,494,636	2008 \$18,618,864	2009 \$18,144,000	2009 \$19,024,215
Applications Received		\$25,454,292 (66)	\$28,152,655	\$28,152,655 (72)

The CDBG Program uses its financial and staff resources to partner with local governments to build livable, vibrant communities that meet the economic, environmental, and social needs of citizens throughout the state (Commerce Strategic Plan's Goal #1). The methods of distribution from the 2009 Action Plan were followed to accomplish the CDBG Program's funding priorities:



A project must rank high in comparison to other similar projects on a state and local level using the following priorities:

- 1. The project addresses a public health and safety issue.*
- 2. It improves essential services to low- and moderate-income persons.*
- 3. It completes a necessary and specific step in a broader community development strategy.*

The following pages list the assisted community projects by each CDBG grant fund.

2009 General Purpose Grants

The CDBG General Purpose Grant program follows an annual statewide competitive application process to fund local projects demonstrating an urgent need, readiness to proceed, and the capacity to manage the project to completion and results commensurate with public investment. Twenty-nine applications for 2009 funds were received, with requests totaling over \$23 million. Applications were separated into similar types of projects and rated and scored against each other. A consistency review was conducted to evaluate overall consistency in scoring between the sub-groups. Applicants that were not selected for funding were offered a debriefing and technical assistance on the development and financing of their projects.

Part 4: Community Development Block Grant (CDBG) Program

Jurisdiction	Type Of Project	Funding
Cowlitz County	Public Facility-Sewer	\$1,000,000
Franklin County	Public Facility-Water	\$1,000,000
George	Public Facility-Water	\$900,000
Goldendale	Public Facility-Streets	\$1,000,000
Mattawa	Public Facility-Water	\$785,408
Metaline Falls	Public Facility-Water	\$783,990
Okanogan County	Housing Rehabilitation	\$500,000
Pacific County	Community Facility	\$647,695
Prosser	Public Facility-Water	\$610,067
Republic	Public Facility-Water	\$1,000,000
Thurston County	Public Facility-Water	\$950,100
Walla Walla County	Public Facility-Water	\$802,335
Whatcom County	Housing	\$500,000
Wilbur	Public Facility-Sewer	\$1,000,000
TOTAL		\$11,479,595

2009 Housing Enhancement Grants

Housing Enhancement Grants fill a financial gap in a larger project selected for funding by the state's Housing Trust Fund (HTF) program. Typically the CDBG funds are used for off-site infrastructure costs or improvements to the site not eligible for HTF funding and where CDBG funds are critical to the viability of the affordable housing project's success. Four Housing Enhancement Grants were awarded in 2009.

Jurisdiction	Type of Project	Funding
George	Public Facilities – Streets, water, sewer	\$450,000
Pacific County	Public Facilities - Streets	\$80,000
Stevenson	Public Facilities – Water, sewer, streets	\$151,000
Sunnyside	Public Facilities - Sewer	\$258,909
TOTAL		\$939,909

2009 Planning-Only Grants

Planning-Only Grants support a low-income community's efforts to prepare for change, consult with locals and professionals, develop good ideas within their own community, and plan the implementation of priority projects. Twenty-one applications were received for Planning Only funding for a total of \$559,600. Fifteen projects were selected for funding for a total of \$434,000.

Jurisdiction	Type Of Plan	Funding
Bridgeport	Public Facility-Sewer	\$35,000
Chelan	Community Facility	\$24,000
Chelan County	Public Facility-Water	\$24,000
Franklin County	Public Facility-Water	\$35,000
Granger	Public Facility-Sewer	\$35,000
Ione	Public Facility-Sewer	\$35,000
Lamont	Public Facility-Fire	\$24,000
Othello	Public Facility-Sewer	\$16,000
Pe Ell	Community Facility	\$24,000
San Juan County	Housing	\$40,000
Sprague	Public Facility-Water	\$24,000
Springdale	Public Facility-Water	\$35,000
Stevens County	Public Facility-Water	\$35,000
Union Gap	Public Facility	\$24,000
Wilson Creek	Public Facility-Water	\$24,000
TOTAL		\$434,000

The funded planning activities ensure wise and strategic investment of future public investment. Program analysis finds generally a lag of 3 years for a project to move from planning to construction, especially for projects involving multiple funding partners and requiring regulatory approval. Some planning activities, such as comprehensive planning, do not directly result in a construction project. Typically, communities that have conducted a planning process are more ready to proceed when applying for construction funding and complete their projects on-time.

2009 Public Services Grants

CDBG provides funds to 12 rural counties to provide services to low and moderate income persons through a partnership with local Community Action Agencies. The services provided are focused on expanding existing services to new clients, improving services and service delivery or providing new services. CDBG has provided funding annually for the last sixteen years to

support this ongoing partnership. Services provided are essential to low-income persons to help them gain the skills and abilities to move into self-sufficiency.

Jurisdiction	Type of Project	Funding
Asotin County	Public Services	\$40,000
Grant County	Public Services	\$162,427
Grays Harbor County	Public Services	\$165,743
Jefferson County	Public Services	\$142,948
Kittitas County	Public Services	\$110,965
Okanogan County	Public Services	\$126,315
Skamania County	Public Services	\$106,265
Stevens County	Public Services	\$132,524
Thurston County	Public Services	\$117,496
Walla Walla County	Public Services	\$132,524
Whitman County	Public Services	\$125,968
Yakima County	Public Services	\$188,6978
TOTAL		\$1,557,612

2009 Imminent Threat

CDBG provides funding for interim solutions to problems of an urgent nature and that have a potential for impacting public health and safety in ways that cannot be effectively addressed through the General Purpose grant application. Funds are awarded when there is an immediate and urgent threat, that could not have been anticipated and there is no other viable source of funds to make temporary repairs needed. Severe flooding in the fall of 2008 and winter of 2009 resulted in damage to water and sewer systems. The following two projects were funded in 2009.

Jurisdiction	Type of Project	Funding
Pacific County	Public Facilities - Water	\$13,481
Pe Ell	Public Facilities - Sewer	\$62,959
TOTAL		\$76,440

2008 Float- Funded Activity Grants Interim Construction Financing

In January 2008, HUD notified CDBG that their Float Funded Interim Construction program which offered interim construction financing to local jurisdictions where the take out financing was a partnership with USDA Rural Development was no longer allowable. Existing agreements previously reported were honored, but no new agreements were made in 2009.

2009 CDBG Grants by Project Categories

In program year 2009, the state CDBG program awarded 48 contracts for projects in the following categories: Public Facilities, Community Facilities, Public Services, Housing

Part 4: Community Development Block Grant (CDBG) Program

Rehabilitation, Planning Only, Housing and one Float Funded Economic Development. No awards were made for Clearance/Demolition. The total amount of funding awarded and percentage of the total are listed below.

Type of Project	Funding	Percentage of Total
Public Facilities	\$10,848,249	66%
Community Facilities	\$647,695	4%
Public Services	\$1,557,612	9%
Housing Rehabilitation	\$500,000	3%
Planning Only	\$434,000	3%
Economic Development	\$2,000,000	12%
Housing	\$500,000	3%
TOTAL	\$16,487,556	100%

2009 Supplemental Grants

Supplemental Grant requests are awarded on a funds available basis from the CDBG Contingency Fund. Supplemental Grant awards are intended as a last resort funding option for grantees whose approved projects have encountered unanticipated cost overruns.

Jurisdiction	Project Type	Funding
Forks	Community Facilities	\$366,591
Grant County	Water system improvements	\$47,000
TOTAL		\$413,591

Geographic Allocation

The state CDBG Program awards grants to rural cities, towns and counties across the state. Eligible (non-entitlement) applicants are Washington State cities and towns with less than 50,000 in population or counties with less than 200,000 in population that are non-entitlement jurisdictions or are not participants in a HUD Urban County Entitlement Consortium. The entitlement counties and cities receive CDBG funds directly from HUD. The state CDBG program does not target specific geographic areas of the State, however, in 2009 CDBG funds were awarded to a county, city or town in 26 of the 33 non-entitlement counties, successfully supporting projects throughout the state.

Low- and Moderate-Income Persons Served

Low- and moderate-income is defined as 80 percent of county median income. Approximately 95 percent of the CDBG-funded projects during the past three years met the HUD national objective of principally benefiting persons of low- and moderate-income. This **exceeds** the

federal requirement of 70 percent of funds used to directly benefit persons of low and moderate income and reflects the state's efforts to target funds to communities with the greatest needs.

The 2009 CDBG projects anticipate benefiting 129,324 persons, of which 115,764 (89%) meet the low- and moderate-income criteria. Race and ethnicity data on persons benefiting from CDBG projects has been provided to HUD electronically through the Integrated Disbursement Information System (IDIS). The data is available to the public upon request.

Leveraging of Resources

Of the \$16,487,556 awarded in 2009, over \$39 million in additional funds were leveraged for directly related project activities. This represents over a 1:2 leveraging ratio. Funds leveraged come from a variety of federal, state, local and private sources, attesting to the CDBG program's ability and flexibility to build effective partnerships within the state's rural communities.

Timely Use of Funds

HUD reviews the state CDBG Program for timeliness, in accordance with 24 CFR Part 570.494, and recommends that 95% (percent) of funds should be awarded/obligated to eligible local governments within 12 months of the State signing its grant agreement with HUD. Washington State meets this standard and has obligated 100% (percent) of its CDBG 2009 funds within the applicable 12 months period.

Potential Program Changes

Over the last several years, the state CDBG program has worked to streamline business practices while continuing to provide effective and timely technical assistance to local governments in developing and implementing their priority projects. The following are changes being undertaken or under consideration:

- Reduced the number of CDBG grant programs from 6 to 4, eliminating the Housing Rehabilitation and Community Investment Fund set-asides.
- Working collaboratively with other Commerce programs to provide technical assistance to rural communities.
- Participating in a cross department infrastructure back office contracts management unit responsible for managing infrastructure contracts from point of execution through project completion and loan repayment. The new Contracts Administration Unit (CAU) opened for business May 1st, 2008 and is managing planning and construction contracts for CDBG, Capital Programs, Public Works Trust Fund (PWTF), Drinking Water State Revolving Fund (DWSRF), Water Systems Acquisition and Rehabilitation (WSARP),

Part 4: Community Development Block Grant (CDBG) Program

Community Economic Revitalization Board (CERB), Neighborhood Stabilization Program, CDBG-R and DWSRF-ARRA.

- Conducted public input sessions with stakeholders and community representatives and surveyed cities, towns and counties to determine local governments' priorities for CDBG funding as part of the consultative, public process to develop the 2010-2015 Consolidated Plan.
- Better aligned the award of local grants with the State's receipt of HUD funds by adjusting the 2010 application and award cycles.
- Considering applying to HUD to change the program year from January – December, to July – June.

STATE OF WASHINGTON CDBG FINANCIAL DATA							
FEDERAL FISCAL YEAR		2009	GRANT #	B-09-DC-53-0001			
		GRANT AMOUNT :	\$15,479,447.00				
		PROGRAM ADMINISTRATIVE CAP :	\$409,590.00				
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :		\$154,794.00					
108 LOAN DEFAULT AMOUNT :		\$0.00					
AMOUNT OBLIGATED TO RECIPIENTS :		\$14,915,063.00					
AMOUNT DRAWN :		\$0.00					
2009 PROGRAM YEAR ACTIVITY							
PROGRAM INCOME EARNED :	\$5,885,448.86	SPENT :	\$5,849,639.41	FLOAT LOANS :	\$2,000,000.00	INTERIM FINANCING :	\$0.00
					OBLIGATE	SPENT	
TOTAL FUNDS:		\$17,592,256.11		\$5,110,153.95			
PROGRAM ADMINISTRATION:		\$409,590.00		\$0.00			
TECHNICAL ASSISTANCE:		\$154,794.00		\$0.00			
PROGRAM INCOME ADMINISTRATION:		\$63,278.85		\$27,604.65			
TOTAL PROJECTS UNDER CONTRACT:		\$17,027,872.11		\$5,110,153.95			
					OBLIGATE	SPENT	
PROJECT TOTALS BY NATIONAL OBJECTIVE		LOW MODERATE:		\$17,014,391.11		\$5,096,672.95	
		URGENT NEED:		\$13,481.00		\$13,481.00	
		SLUM/BLIGHT:		0.00		0.00	

STATE OF WASHINGTON CDBG FINANCIAL DATA					
FEDERAL FISCAL YEAR 2008			GRANT #	B-08-DC-53-0001	
		GRANT AMOUNT :	\$15,200,000.00		
		PROGRAM ADMINISTRATIVE CAP :	\$434,000.00		
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :		\$122,000.00			
		108 LOAN DEFAULT AMOUNT :	\$0.00		
AMOUNT OBLIGATED TO RECIPIENTS :		\$14,644,000.00			
		*AMOUNT DRAWN :	\$10,134,774.57		
2008 PROGRAM YEAR ACTIVITY					
PROGRAM INCOME	EARNED :	\$34,314.70	SPENT :	\$34,314.70	
			FLOAT LOANS :	\$0.00	INTERIM FINANCING :
					\$0.00
		OBLIGATE	SPENT		
TOTAL FUNDS:		\$15,655,483.89	\$9,774,404.60		
PROGRAM ADMINISTRATION:		\$434,000.00	\$281,165.77		
TECHNICAL ASSISTANCE:		\$122,000.00	\$117,709.75		
TOTAL PROJECTS UNDER CONTRACT:		\$15,099,483.89	\$9,375,529.08		
		LOW MODERATE:	\$15,099,483.89	\$9,375,529.08	
PROJECT TOTALS BY NATIONAL OBJECTIVE		URGENT NEED:	\$0.00	\$0.00	
		SLUM/BLIGHT:	\$0.00	\$0.00	

*Note: This includes a \$211,808.39 repayment of CDBG Float Loan Administration draws.

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2007**GRANT # B-07-DC-53-0001**

GRANT AMOUNT :	\$15,561,480.00
PROGRAM ADMINISTRATIVE CAP :	\$451,230.00
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :	\$115,615.00
108 LOAN DEFAULT AMOUNT :	\$0.00
AMOUNT OBLIGATED TO RECIPIENTS :	\$14,994,635.00
AMOUNT DRAWN :	\$15,561,480.00

2007 PROGRAM YEAR ACTIVITY

PROGRAM INCOME	EARNED : \$11,325,211.35	SPENT : \$11,325,211.35	FLOAT LOANS : \$1,980,000.00	INTERIM FINANCING : \$5,042,000.00
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	OBLIGATE	SPENT
TOTAL FUNDS:	\$22,678,565.90	\$20,730,548.58
PROGRAM ADMINISTRATION:	\$451,230.00	\$451,230.00
TECHNICAL ASSISTANCE:	\$115,615.00	\$115,615.00
TOTAL PROJECTS UNDER CONTRACT:	\$22,111,720.90	\$20,163,703.58

PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	URGENT NEED:	SLUM/BLIGHT:
	\$21,892,507.66	\$219,213.24	\$0.00
		\$219,213.24	\$0.00
			\$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2006 GRANT # B-06-DC-53-0001

GRANT AMOUNT :	\$15,527,828.00
PROGRAM ADMINISTRATIVE CAP :	\$422,027.36
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :	\$143,807.64
108 LOAN DEFAULT AMOUNT :	\$0.00
AMOUNT OBLIGATED TO RECIPIENTS :	\$14,961,993.00
AMOUNT DRAWN :	\$15,527,828.00

2006 PROGRAM YEAR ACTIVITY

PROGRAM INCOME	EARNED : \$1,320,549.57	SPENT : \$1,320,549.57	FLOAT LOANS : \$1,050,000.00	INTERIM FINANCING : \$2,547,000.00
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	OBLIGATE	SPENT
TOTAL FUNDS:	\$21,991,741.90	\$21,438,107.22
PROGRAM ADMINISTRATION:	\$422,027.36	\$422,027.36
TECHNICAL ASSISTANCE:	\$143,807.64	\$143,807.64
TOTAL PROJECTS UNDER CONTRACT:	\$21,425,906.90	\$20,872,272.22

PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$21,425,906.90	\$20,872,272.22
	URGENT NEED:	\$0.00	\$0.00
	SLUM/BLIGHT:	\$0.00	\$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA				
FEDERAL FISCAL YEAR 2005			GRANT # B-05-DC-53-0001	
		GRANT AMOUNT :	\$17,295,437.00	
		PROGRAM ADMINISTRATIVE CAP :	\$455,909.00	
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :		\$162,954.00		
		108 LOAN DEFAULT AMOUNT :	\$0.00	
AMOUNT OBLIGATED TO RECIPIENTS :		\$16,676,574.00		
		AMOUNT DRAWN :	\$17,295,437.00	
2005 PROGRAM YEAR ACTIVIT				
PROGRAM INCOME	EARNED : \$647,726.19	SPENT : \$647,726.19	FLOAT LOANS : \$350,000.00	INTERIM FINANCING : \$0.00
		OBLIGATE	SPENT	
TOTAL FUNDS:		\$19,004,567.47	\$19,057,481.88	
PROGRAM ADMINISTRATION:		\$455,909.00	\$455,909.00	
TECHNICAL ASSISTANCE:		\$162,954.00	\$162,954.00	
TOTAL PROJECTS UNDER CONTRACT:		\$18,385,704.47	\$18,438,618.88	
PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$18,338,704.47	\$18,391,618.88	
	URGENT NEED:	\$24,000.00	\$24,000.00	
	SLUM/BLIGHT:	\$23,000.00	\$23,000.00	

STATE OF WASHINGTON CDBG FINANCIAL DATA				
FEDERAL FISCAL YEAR 2004			GRANT # B-04-DC-53-0001	
		GRANT AMOUNT :	\$18,651,019.00	
		PROGRAM ADMINISTRATIVE CAP :	\$473,020.00	
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :		\$186,510.00		
108 LOAN DEFAULT AMOUNT :		\$0.00		
AMOUNT OBLIGATED TO RECIPIENTS :		\$17,991,489.00		
AMOUNT DRAWN :		\$18,651,019.00		
2004 PROGRAM YEAR ACTIVITY			\$31,258,623.72	
PROGRAM INCOME	EARNED : \$1,670,087.26	SPENT : \$1,670,087.26	FLOAT LOANS : \$8,400,000.00	INTERIM FINANCING : \$0.00
		OBLIGATE	SPENT	
TOTAL FUNDS:		\$31,258,623.72	\$31,425,402.40	
PROGRAM ADMINISTRATION:		\$473,020.00	\$544,973.80	
TECHNICAL ASSISTANCE:		\$186,510.00	\$133,953.20	
TOTAL PROJECTS UNDER CONTRACT:		\$30,599,093.72	\$30,746,475.40	
PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$30,577,827.12	\$30,725,208.80	
	URGENT NEED:	\$21,266.60	\$21,266.60	
	SLUM/BLIGHT:	\$0.00	\$0.00	

STATE OF WASHINGTON CDBG FINANCIAL DATA				
FEDERAL FISCAL YEAR 2003			GRANT # B-03-DC-53-0001	
		GRANT AMOUNT :	\$18,944,000.00	
		PROGRAM ADMINISTRATIVE CAP :	\$478,880.00	
TECHNICAL ASSISTANCE ADMINISTRATIVE CAP :		\$189,440.00		
		108 LOAN DEFAULT AMOUNT :	\$0.00	
AMOUNT OBLIGATED TO RECIPIENTS :		\$18,275,680.00		
AMOUNT DRAWN :		\$18,944,000.00		
2003 PROGRAM YEAR ACTIVIT				
PROGRAM INCOME	EARNED :	\$49,402.19	SPENT :	\$49,402.19
			FLOAT LOANS :	\$1,905,000.00
			INTERIM FINANCING :	\$969,850.00
		OBLIGATED	SPENT	
TOTAL FUNDS:		\$15,648,048.60	\$22,514,755.28	
PROGRAM ADMINISTRATION:		\$478,880.00	\$488,864.83	
TECHNICAL ASSISTANCE:		\$189,440.00	\$179,455.17	
TOTAL PROJECTS UNDER CONTRACT:		\$14,979,728.60	\$21,846,435.28	
PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$14,857,361.92	\$21,724,068.60	
	URGENT NEED:	\$0.00	\$0.00	
	SLUM/BLIGHT:	\$122,366.68	\$122,366.68	

DRAFT

(HUD 60002)
Economic Opportunities for
Low – and Very Low-Income Persons

and Urban Development
Office of Fair Housing
and Equal Opportunity

(exp. 8/31/2007)

See page 2 for Public Reporting Burden statement

Hud Field Office:
Seattle

1. Recipient Name & Address: (street, city, state, zip) State of Washington Department of Community, Trade and Economic Development P.O. Box 42525 Olympia, WA 98504-2525			2. Federal Identification: (contract/award no.) B08-DC-53-0001	3. Dollar Amount of Award: \$15,200,000
			4. Contact Person Clare Billings	5. Phone: (Include area code) 360-725-3017
			6. Reporting Period: 1/1/08 – 12/31/08	7. Date Report Submitted: 3/31/09
8. Program Code *	8	(Use a separate sheet for each program code)	9. Program Name: CDBG State	

A	B	C	D	E**	F**
Job Category	Number of New Hires	Number of New Hires that are Sec. 3 Residents	% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	% of Total Staff Hours for Section 3 Employees and Trainees	Number of Section 3 Employees and Trainees
Professionals	0	0	0	0	0
Technicians	0	0	0	0	0
Office/Clerical	0	0	0	0	0
Construction by Trade (List Trade)	0	0	0	0	0
Trade					
Trade					
Trade					
Trade					
Other (List)					
Total					

8 = CDBG State
9 = Other CD
10 = Other

form HUD

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$ 14,610,720
B. Total dollar amount of contracts awarded to Section 3 businesses	\$ 9,639,374
C. Percentage of the total dollar amount that was awarded to Section 3 businesses %	66
D. Total number of Section 3 businesses receiving contracts = 24	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$ 412,316
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 123,098
C. Percentage of the total dollar amount that was awarded to Section 3 businesses %	30
D. Total number of Section 3 businesses receiving non-construction contracts	4

PA Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

☒ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site,

contracts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

☐ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

☐ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

☐ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

☐ Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs as directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

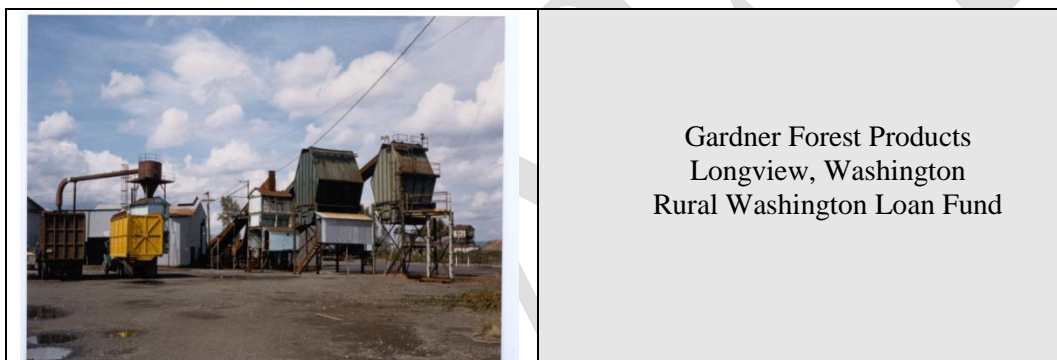
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PART 5: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUPPORTED ECONOMIC DEVELOPMENT LOAN FUND PROGRAMS

The state of Washington manages three Community Development Block Grant (CDBG) supported Loan Fund Programs:

- Section 108 Loan Guarantee Program
- Rural Washington Loan Fund
- Float Loan Program

The purpose of this section is to report activity for these three funds during program year 2009 (January 1-December 31, 2009). This part provides information detailing loan activity and balances for the year.



Current Loan Activity for Program Year 2009

Section 108 Loan Guarantee Program

Section 108 is the loan guarantee provision of the CDBG program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Regulations governing the Section 108 program may be found at 24 CFR 570, Subpart M, "Loan Guarantees." A list of obligations current as of December 31, 2009 is in the table below.

Although a pledge to back a loan guaranteed project does not immediately reduce the state's CDBG allocation, future reductions due to payment default may result in the reduction of the state's annual award. Reductions to the state's annual award are absorbed by the Contingency Fund. Reductions in excess of the available balance within the Contingency Fund are to be absorbed proportionally by all CDBG grant programs (non-loan fund programs). In program year 2009, the state pledged \$15 million to be used for the Loan Guarantee Program. No Loan

Part 5: Community Development Block Grant (CDBG) Supported
Economic Development Loan Fund Programs

Guarantee projects were completed in 2009. Total loan guarantee fees collected in 2009 were \$0.

Detail of Existing Section 108 Loan Guarantee Projects

Name	Location	Year	Original Amount	Balance as of 12/31/09	CDBG Fund Losses	Maturity Date
Shilo Inn	Ocean Shores	1994	\$3,600,000	\$1,185,000	0	8/1/2013
Everybody's of Raymond	Raymond	2000	\$1,960,000	\$920,000	0	8/1/2015
Grays Harbor PDA	Grays Harbor Co.	2001	\$4,565,000	\$3,815,000	0	8/1/2021
Maritime Center	Pt. Townsend	2001	\$1,000,000	\$690,000	0	8/1/2021
Total Currently Obligated:				\$6,610,000		

Rural Washington Loan Fund

The Rural Washington Loan Fund (RWLF), administered by the International Trade and Economic Development Division within the Washington State Department of Commerce, was created by the Washington State Legislature to provide "gap financing" to small businesses, primarily in economically distressed and timber-impacted areas of the state. To conform to the State Constitution, the RWLF Program exchanges the state appropriated RWLF funds with an equal amount of CDBG Program funds. RWLF is guided by RCW 43.168 in addition to HUD regulations. The table below details a listing of jurisdictions that have participated in using this resource to support businesses that are currently holding loans.

The total beginning cash balance for the RWLF Program as of January 1, 2009 was \$6,011,464.39. The total ending cash balance for the RWLF Program as of December 31, 2009 was \$5,828,395.81 (amount available for re-lending in 2010 as well as any eligible administrative costs of up to two percent of program income received).

Part 5: Community Development Block Grant (CDBG) Supported
Economic Development Loan Fund Programs

Outstanding RWLF Loans (as of 12/31/09)

Sponsoring Jurisdiction	Calendar Year Lent	Original Loan Amount	Total Payments to 12/31/09	Principal Balance Due (12/31/09)
Island County	2009	\$500,000	\$0.00	\$500,000.00
Douglas County	2009	\$200,000	\$9,695.68	\$195,601.44
Douglas County	2009	\$400,000	\$19,391.36	\$391,202.89
City of Naches	2007	\$282,321	\$81,788.54	\$264,482.30
City of Union Gap	2007	\$250,000	\$57,514.32	\$237,945.62
Yakima County	2007	\$981,000	\$434,045.28	\$691,605.45
City of Bingen	2006	\$50,000	\$17,108.10	\$44,804.61
City of Ellensburg	2005	\$500,000	\$182,290.32	\$431,079.47
City of Sedro-Woolley	2004	\$700,000	\$708,285.77	\$82,305.68
City of Selah	2004	\$100,000	\$107,889.68	\$9,119.94
Town of Waterville	2003	\$314,000	\$223,537.00	\$145,003.18
City of Union Gap	2003	\$400,000	\$313,739.55	\$156,743.80
City of Shelton	2003	\$700,000	\$694,722.96	\$112,706.84
City of Moses Lake	2002	\$405,000	\$264,041.05	\$303,874.55
City of Omak	2001	\$249,100	\$171,283.69	\$201,020.75
City of Sunnyside	2000	\$700,000	\$302,163.68	\$687,309.65
Yakima County	2000	\$270,000	\$157,291.32	\$268,370.19
City of Ellensburg	2000	\$35,000	\$16,219.56	\$45,317.17
City of Oroville	2000	\$189,387	\$130,832.10	\$117,899.21
City of Republic	1999	\$95,000	DELETE ROW	DELETE ROW
City of Shelton	1997	\$50,000	\$75,147.05	\$11,150.07
City of Zillah	1996	\$497,448	DELETE ROW	DELETE ROW
City of Hoquiam	1996	\$320,000	DELETE ROW	DELETE ROW
City of Anacortes	1994	\$65,000	\$119,213.19	\$0.00
TOTALS		\$7,340,808.00	\$4,086,200.20	\$4,897,542.81

In 2009, CDBG grants and loans provided funding to create or retain 107 jobs, of which 55 will be made available for low- and moderate-income persons.

Float-Funded Activities Program

Commerce manages the Float-Funded Activities program that serves non-entitlement jurisdictions by using CDBG funds allocated to the Washington State CDBG Program, but not expected to be drawn down for the duration of the loan term. These funds may be used to provide short-term loans to businesses/developers for economic development/job creation activities that meet a HUD National Objective. Float-funded activities are described in the HUD regulations at 24 CFR 570.301 (b).

Part 5: Community Development Block Grant (CDBG) Supported
Economic Development Loan Fund Programs

In 2009, the Float-Funded Activities Program directly funded one activity in the amount of \$2 million. This float-funded activity is listed in the summary table below and in the IDIS detail information for program year 2009.

Amount of Funds Available

Based on the estimated cash expenditures of CDBG construction grants and the amount of estimated funding available for the FY 2009 Washington State CDBG Program, a total of \$15 million of CDBG resources were made available for float-funded activities in program year 2009. Total program income received from float-funded activities for program year 2009 was \$3,869,526.88. Up to two percent of all float-funded activity resources held and collected by the state may be used for administrative activities.

Float-Funded Activities (as of 12/31/09)

Name	Location	Year	Float-Funded Activities Amount	Float-Funded Activities Program Income	Date of Issuance	Due Date
Barr Tech, LLC	Lincoln County	2009	\$2,000,000	\$0	8/17/09	1/17/12
Cardinal Glass CG	City of Tumwater	2007	\$1,540,000	\$1,600,017.81	7/11/07	1/11/10
R & R Trading Co., Inc.	Cowlitz County	2007	\$1,050,000	\$1,133,065.07	8/31/07	2/28/10
Signature Transport, Inc.	City of Kelso	2007	\$440,000	\$18,091.26	11/16/07	4/1/10
Cardinal Glass TG	Lewis County	2006	\$1,050,000	\$1,112,352.74	8/30/06	2/28/09
Grassland West	City of Clarkston	2005	\$350,000	\$6,000.00	2/23/05	8/23/07
* Float-funded activities are secured in full by an Irrevocable Bank Letter of Credit.						

PART 6: EMERGENCY SHELTER GRANTS (ESG) PROGRAM

Narrative Reporting for ESG:

Assessment of Five Year Goals and Objectives

The primary outcome measure of the Washington State Homeless Plan is the number of homeless persons counted at a point in time. In 2009, the total homeless (sheltered and unsheltered) counted at a point in time was 22,827. This has remained basically unchanged since the initial 2007 count.

Contributing to the desired outcome of significant reductions in the number of people homeless are the following outputs:

- The number of new homeless beds (including voucher supported private market housing) developed since 2006: 4,724/12 percent of the unmet need.
- The number of people provided homeless housing and/or services in 2009: 67,107

We have an existing 4,221 bed equivalency statewide in our inventory (baseline established in 2006) for *Short-Term Assistance, Services and Assessment*. We project a need for an additional 1,779 beds.

The state's ESG program, funded annually at \$1.3 million, is one resource that helps support the existing inventory of short-term beds. We have sought to apply other resources (such as the new recording fees collected by the counties) to address the need for additional beds.

Since 2006, a total of 558 individual beds, family beds and family units have been created. In 2009 Commerce created 156 new shelter units. These are modest gains towards the goal of adding another 1,779 beds to our inventory.

Other Accomplishments

The state and local governments are making significant investments in a statewide Homeless Management Information System (HMIS) that was implemented in 2009. The following additional measures will be available in 2010 once the HMIS has collected a full-year of data.

- Number and percentage of homeless people provided homeless housing and services that are homeless one year after being served. Target: 5 percent.
- Number and percentage of homeless people who attain a self-sufficient income after being provided homeless housing and services. Target: 75 percent.

Continuum of Care Narrative

Commerce is the lead organization for the Washington Balance of State Continuum of Care (CoC) which consists of the 33 least populated counties in the state. The past year has produced mixed results although our performance continues to keep our CoC competitive in the national competition.

Major new investments within the CoC (\$15 million per year) over the past 4 years have resulted in large increases in housing resources serving the chronic homeless. Over the past year we were able to exceed our goal for creating new permanent supportive housing beds for the chronically homeless. Our target was 315 and we actually created 378 beds.

Commerce also continues to do well in percentage of homeless persons moving from transitional housing to permanent housing. The national target is at least 63.5%. Our goal was 73% and our actual performance was 80%, the same as last year.

However, Commerce falls short in three of HUD's national objectives. Our goal for permanent supportive housing was short by 10%, however, we believe our shortfall resulted from an anomaly caused by 3 new chronic homeless projects reporting in their first year. Because these were new projects, not enough time had elapsed for them to be able to perform. The 3 represent almost 30% of all the "less than 6 mo stays" in the CoC.

We also fell short in our employment target. We projected that 28% of homeless persons would be employed at exit and our actual was 26%. We had a significantly larger than normal turnover for chronically homeless persons, participants that are very hard to employ. The higher turnover increases their share of the total in the employment ratio and it means that their short stays result in less time to help them with employment skills. Also given the tight employment market, the disabled have more difficulty competing even for the lowest-paying jobs. And while our non-chronic employment rate had improved, it was not enough to help us meet our overall target.

Lastly, the economic recession clearly impacted our ability to reduce family homelessness in the CoC. While we were unable to reduce homeless households as much as our goal, we did accomplish a reduction in the number of homeless families from 1,192 to 1,175. And, importantly we were able to reduce the number of households with children who were unsheltered from 234 to 220.

Commerce collaborates with other agencies in the state, creating committees that facilitate the involvement of local continuums with assisting clients in accessing mainstream resources as well as develop protocols for placement of individuals discharged from public institutions into housing rather than homelessness. The CoC has continued to include broader participation in

planning for statewide activities through the continuum of care process by including other CoC coordinators in statewide issues and discussions.

Commerce also coordinates the annual point in time count of homeless persons for the Continuum and the entire State of Washington. As the lead HMIS agency, Commerce continues to expand HMIS bed coverage of homeless service providers in the Continuum and advises and assists local continuums on the creation and execution of their own comprehensive homeless plans.

Leveraging Resources and Match

Commerce awards ESG funds to support Operations, Essential Services and Prevention. Commerce provides the required match for the ESG funds with Washington State's Emergency Shelter and Assistance Program (ESAP) funds, annually at about \$5million for the same activities.

Self-Evaluation specific to ESG

In 2009 Commerce awarded ESG funds to local governments and state resources (ESAP) to the rest of the shelter network organizations in order to simplify the administration of these federal dollars. To date this has streamlined the business administration of Commerce's homeless program and paved the way for a more consolidated approach to homeless grant management within the Housing Division. With one fewer homeless grant to manage, Commerce feels that this has a positive impact on sub grantee program delivery. Sub grantee data collection, reporting and funds draw down is simplified. We expect sub grantee compliance with program guidelines and procedures to improve.

Sixty-nine percent of all emergency shelters in the Balance of State are on the Balance of State HMIS system. In the last year the Commerce focused its HMIS resources on adjusting the existing HMIS to be compliant with the new HPRP data requirements, and then deploying and training HMIS in 100% of HPRP recipients. Beyond coverage alone, the Commerce HPRP implementation has attained almost perfect data quality. Lessons on how to drive-up data quality learned via the HPRP implementation are now being applied to other housing programs such as ESG.

Almost all HPRP recipients also receive shelter funding, so investments in deployment and training of HPRP recipients will assist with the transition in the next nine months of all ESG reporting from the redundant legacy ESG reporting system to HMIS exclusively.

The HMIS is also beginning to yield important information on program and project performance, which is tied directly into the Washington State Ten Year Plan to End Homelessness. Measures regularly tracked using HMIS include destination at exit, changes in household income between entry and exit, percent of households exiting with incomes above the federal poverty income and the state self-sufficiency income. Data collected now is laying the foundation for being able to measure recidivism into homelessness, and the flow of homeless people between state social service programs, law enforcement, and corrections.

The state is now regularly integrating HMIS data into a state data warehouse containing social service, health, criminal justice, veterans, and employment data. This ongoing integration effort is beginning to yield important information on how the larger system support and retards our efforts to eliminate homelessness.